



ATTACHMENT 6
FILE COPY

County of San Diego

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DEPARTMENT OF PUBLIC WORKS

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COUNTY SURVEYOR
FLOOD CONTROL
WASTEWATER MANAGEMENT

September 18, 2000

Tony Garcia, Airports Compliance Specialist
Federal Aviation Administration
Western-Pacific Region
P. O. Box 92007
Worldway Postal Center
Los Angeles, CA 90009

Dear Mr. Garcia:

GILLESPIE FIELD LAND USE – MODIFICATION TO INSTRUMENT OF RELEASE

This is our formal response to your letter of June 23, 2000 regarding Gillespie Field Land Use - Release From Federal Obligations. The County of San Diego is requesting a modification to the existing Instrument of Release dated May 4, 1967. In 1998, the City of El Cajon received a \$1,650,000 Economic Development Administration grant for extension of Marshall Avenue at Gillespie Field within their city limits. This street lies across boundaries of Gillespie Field spanning both aviation and non-aviation areas. This area is also within a redevelopment district. In order to accomplish the entire project, the City of El Cajon and the County of San Diego agreed to each contribute an additional \$825,000.

The San Diego Metropolitan Transit Development Board (MTDB) contributed \$335,000 to complete crossing at their trolley tracks. In addition, the County took advantage of this opportunity to include other needed improvements to serve airport tenants that were not eligible for EDA reimbursement. These included a box culvert for drainage at the southern end of the aviation portion of the airport and utilities, including water, gas, electric, telephone and cable.

This modification is requested to amend boundaries of aviation and non-aviation areas to conform to the engineered alignment of the road extension. The City of El Cajon would not allow development in this area until the road was extended per their Fire Code requirements and City Master Plan. Engineering considerations for roadway extension included site clearances and banking for curves and driveways, location of

the connecting street, Weld Boulevard, location of existing Marshall Avenue and access for aviation businesses.

The subsequent alignment created need for slight adjustments and realignments of aviation and non-aviation areas identified in the current Instrument of Release to conform to the new alignment of Marshall Avenue. Total amount of non-aviation area identified in the current Instrument of Release is 286.24 acres. Requested modification would result in a total of 286.19 non-aviation acres.

The road extension has resulted in approximately 11.8 acres of aviation area being made available for development. Seven (7) acres of this is already committed in a lease and is currently under development for additional hangars. The remaining 4.8-acre parcel will be the subject of a Request for Proposals as soon as an updated narrative for the ALP is complete. The updated narrative is currently being coordinated with another division of FAA.

The new non-aviation area now available for development as a result of the road extension is over nine (9) gross acres with an approximate net of 7.8 acres. Although this parcel is located on the non-aviation side of Marshall Avenue (across a four-lane road), this area could be marketed for aviation related businesses because of its close proximity and we would encourage the developer to do so. As shown in the attached appraisal report and in section D below, this area has potential to generate significant revenue for support of the County airports system.

In an effort to adequately address information you requested, the following information is provided in detail and described below:

A. Modification to Instrument of Release dated May 4, 1967

The County of San Diego is requesting a modification to the existing Instrument of Release dated May 4, 1967 for two reasons.

1. The current Instrument of Release does not reflect the intended language as specified in the original Board of Supervisors resolution, dated February 14, 1967, attached as Exhibit A. The original resolution stated specifically: "County of San Diego shall devote the proceeds derived from such leasing of Gillespie Field or such part thereof exclusively to the development, improvement, operation or maintenance of public airports in the County of San Diego". The Instrument of Release as prepared by FAA says "Gillespie Field" instead of "public airports in the County of San Diego" and is attached as Exhibit B.
2. This request also adjusts current boundaries to conform to the design and construction of the Marshall Avenue extension at Gillespie Field, El Cajon, California. This request will exchange 8.98 acres released for non-aviation

use to aviation use with 8.93 acres currently in the aviation area to non-aviation use. Exhibits C-1, C-2, and C-3 show current boundaries as defined in the Instrument of Release, boundaries proposed in our modification request and the exchanged areas. Boundaries for the requested modification follow the centerline of the Marshall Avenue extension.

B. Marshall Avenue Right-of-Way Documents (Exhibit D)

We respectfully request your concurrence on Marshall Avenue right-of-way documents.

C. Appraisal establishing land value along the right-of-way prior to roadway improvements

Pursuant to your request, we are forwarding a copy of an appraisal report prepared by Alan M. Wilson, MAI (Exhibit E). The report contains two valuations: Marshall Avenue right-of-way prior to improvements and a 7.8 net-acre remainder parcel. The report is being submitted to support our request for a modification to the Instrument of Release as described above.

The appraisal concludes value of Marshall Avenue right-of-way, as of July 14, 1998 (date El Cajon City Council accepted right-of-way) was \$770,000. The appraisal report contains exhibits showing limits of right-of-way and segregation of different types of land involved in the valuation.

The market value of the 7.8 net-acre remainder parcel (the subject of our request for release) was appraised at \$1,000 as of July 14, 1998. Because the City of El Cajon's conditions for development of the parcel included land dedication and construction of a 4-lane road (Marshall Avenue), the appraisal concluded private development of this land would have been financially infeasible and therefore had nominal value.

D. Narrative summary of tangible benefits, direct and indirect, the airport obtained

There are two main sources of benefits realized from dedication of Marshall Avenue. The first is an increase in airport revenue generated by development of the non-aviation land area. The second is extension of Marshall Avenue has made the 11.8 acres lying north of the street (partly in the exchanged parcel) physically and economically feasible to develop as aviation-related property. These two items are addressed in the following paragraphs.

The appraisal concludes a market ground rent of \$950 per/acre/month for aviation-restricted land at Gillespie Field and an appropriate capitalization rate is about 10%. This would indicate a market value of ready-to-build aviation-restricted land of about \$2.62 per square foot. It also concluded non-aviation-restricted land has a value of about \$8.00 per square foot. Therefore, release of 7.8-net-acres to non-aviation use

would enable the County to realize a margin of \$5.38 per square foot, or \$1,827,950. In addition, the 7.8 acres will generate approximately \$150,000/year more revenue than a similar aviation parcel for the airport system. This differential is based upon rates stated in the appraisal, not actual current aviation rates of \$432 per acre. If current aviation rates were considered, differential revenue would be over \$200,000/year.

The second element of benefits is retrieval of previously inaccessible land lying north of Marshall Avenue for aviation-related uses. Our best estimate is approximately 11.8 net acres lying north of Marshall Avenue is now immediately retrievable for aviation-related purposes because of the Marshall Avenue extension. At the appraised estimated land value of \$2.62 per square foot for aviation-restricted land, gross benefit realized because of the roadway extension is about \$1,346,700.

Appraised value for Marshall Avenue right-of-way was \$770,000 in 1998. Benefits from the two sources identified above total \$3,174,650 (\$1,827,950 + \$1,346,700). Therefore, it is our opinion dedication of Marshall Avenue right-of-way to the City of El Cajon resulted in a net benefit to the County airport system of \$2,404,650. This more than compensates the County for its contribution to road improvements, utilities provided to airport tenants and resolution of long standing drainage issues.

F. Legal descriptions and plats of all land adjacent to the Marshall Avenue extension

Exhibit F incorporates legal descriptions and plats for the following parcels of land bordering the Marshall Avenue extension:

1. Parcel No. 2000-0268-A
2. Parcel No. 98-0127-A
3. Parcel No. 98-0127-B
4. Parcel No. 2000-0065-A
5. Parcel No. 2000-0066-A
6. Parcel No. 2000-0067-A

Exhibit G contains additional easements and quitclaims in the immediate vicinity. We respectfully request your concurrence on the following documents:

1. Quitclaim Deed from the City of El Cajon to the County for the Forester Creek Channel
2. Drainage Easement from the County to the City of El Cajon for the Forester Creek Drainage Channel Realignment
3. Legal Description for sewer line location abandoned during construction of the trolley and drainage channel
4. Easement for sewer lines and appurtenances for the portion of the El Cajon Outfall Sewer relocated during the construction of the concrete drainage channel and trolley

Mr. Garcia
Page 5
September 18, 2000

5. Easement and FAA concurrence for the MTDB Light Rail Transit through Gillespie Field

We hope the information provided is sufficient and adequate for you to facilitate your evaluation of our request for modification to the Instrument of Release dated May 4, 1967. If you or your staff have any questions or require any additional information, please contact Darlene Haslett-Kitchen, Supervising Real Property Agent, at 619-596-3908.

We appreciate your continued interest in the County of San Diego's airport system and value your cooperation and assistance in these matters.

Sincerely,



CHANDRA L. WALLAR
Assistant Director

CLW:md

Attachments

cc: Darlene Haslett-Kitchen (S119)
Sylvia Gustafson ((O388)

EXHIBITS

- A Original County Board of Supervisors Resolution dated February 14, 1967
- B FAA Instrument of Release dated May 4, 1967
- C-1 Gillespie Field existing boundaries as defined in the FAA Instrument of Release - *Plat*
- C-2 Gillespie Field proposed boundaries based upon the realignment and extension of Marshall Avenue - *Plat*
- C-3 Gillespie Field proposed exchange of aviation land and non-aviation land
- D Marshall Avenue Right-of-Way document
- E Appraisal Report prepared by Alan Wilson MAI
- F Legal descriptions and plats for Gillespie Field lease parcels bordering Marshall Avenue
- G-1 Quitclaim Deed from City to County for Forester Creek Channel
- G-2 Drainage Easement from County to City for Forester Creek Channel
- G-3 Legal Description for sewer line location that was abandoned during the construction of the LRT and the drainage channel
- G-4 Easement for Sewer Lines
- G-5 Easement for LRT and FAA concurrence dated November 4, 1992